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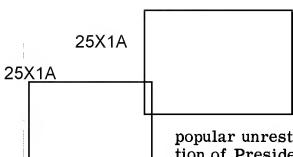
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## 2. BOLIVIA'S NEW ECONOMIC STABILIZATION PROGRAM MAY PROVOKE CRISIS



The Bolivian economic stabilization program, promulgated on 15 December, has led to sharp increases in the price of consumer goods and may touch off serious

popular unrest and a political crisis, including the resignation of President Siles Zuazo. Siles, on 18 December, asked Ambassador Drew for the US reaction in the event he stepped down in favor of Vice President Chavez, who, he explained, had better relations with Congress and the powerful Bolivian Workers' Central. Drew comments that "in view of Siles' unpredictable mystique and the extreme tension he is undergoing, one cannot guess what he will do!" The cabinet has already resigned to avoid further questioning by left-wing deputies who oppose the stabilization program.

The stabilization plan, which is backed by credits of the International Monetary Fund and US government agencies, is intended to check inflation. Initially supported by key labor and political leaders, it will bring about sweeping changes in the Bolivian wage and price structure, with the Bolivian worker probably bearing the greatest hardship in the initial phases of implementation.

Juan Lechin, leftist president of the Senate and head of the Bolivian Workers' Central, has withdrawn his support of the program, and other labor leaders may follow suit on grounds that it is prejudicial to the interests of the laboring class.

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	MIMILITIS ON US-JAPAN RELATIONS
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stated, howev to the United S and a lack of u tions has caus	Tanzan Ishibashi, Japan's prime minister-designate, has indicated in press interviews that he regards the maintenance of "closest ties" between Japan and the United States as essential. He er, that this does not mean "blind subservience" States, since "occupation" attitudes still persist, understanding of Japanese and Far Eastern condicted many American mistakes. He intends to "arwith Washington until there is mutual understanderation.
his policy tow he will work for toration of for himself states	Ishibashi has been cautious in discussing ard Communist China. The press believes that or expanded trade, but will not seek early resemal diplomatic relations with Peiping. Ishibashi that he will try to solve the Communist China e full co-operation and leadership of the United
Comment	Ishibashi's press interviews may have been designed to allay American suspicion of his to correct impressions which resulted from his

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